


Gas Station and Convenience Store Official Newsletter

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INSIDE THE ISSUE:

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**New England Fuel Margins:
Historical Trends
2005-2020**

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NEW ENGLAND FUEL MARGINS


*HISTORICAL TRENDS:
2005-2020*

We hope you have enjoyed the hot summer weather and the scorching hot summer fuel margins. Heading into the fall, the weather will cool down, but we hope that our customers can keep their margins up. Let's take this opportunity to review fuel margins over a 15-year period (**2005-2020**). *How have margins evolved and what has been the impact they have had on our industry, specifically, gas station/c-store valuations?*

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BUILD
Site Selection &
Feasibility Studies

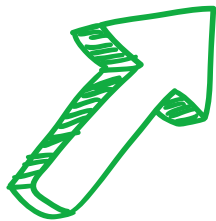

BUY
Sales & Acquisition
Diversify Portfolios


CONNECT
Strategic
Partnerships


MANAGE
Restructure, Reinvest,
Divest, & Redevelop

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We decided to focus on fuel margins in New England as a whole. Some states have consistently done better than others - Massachusetts has had the **best** margins over the entire period - but overall, the trend has been the same. Margins are decidedly **up**. From 2005 to 2010, margins were relatively flat, then in 2011 they started to steadily increase, and from 2018 until now we have seen an even sharper rise.



We would expect some increase in margin to track inflation, but there may be several other factors at play here. First, the major oil companies, Mobil and Shell, divested their retail stores from their portfolios in the early 2010s. This served to **depress** overall margins in the region at times.

Second, when the oil companies sold their stores to local businesses, these companies then often had a good amount of debt on their balance sheets, and could not afford to sell fuel at the margins that the big oil companies could. Not only that, but the new owners needed to get a return on investment from the stores themselves. Whereas ExxonMobil and Shell could afford to subsidize their retail outlets with often huge margins on their upstream business, the new store owners needed to see profitability from these stores.



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Start Building Your Strategy

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Convenience Store Investments

We help C-Store owners, oil companies, and investors maximize their sales proceeds, divest from poor-performing properties, and assist with mergers/acquisitions.

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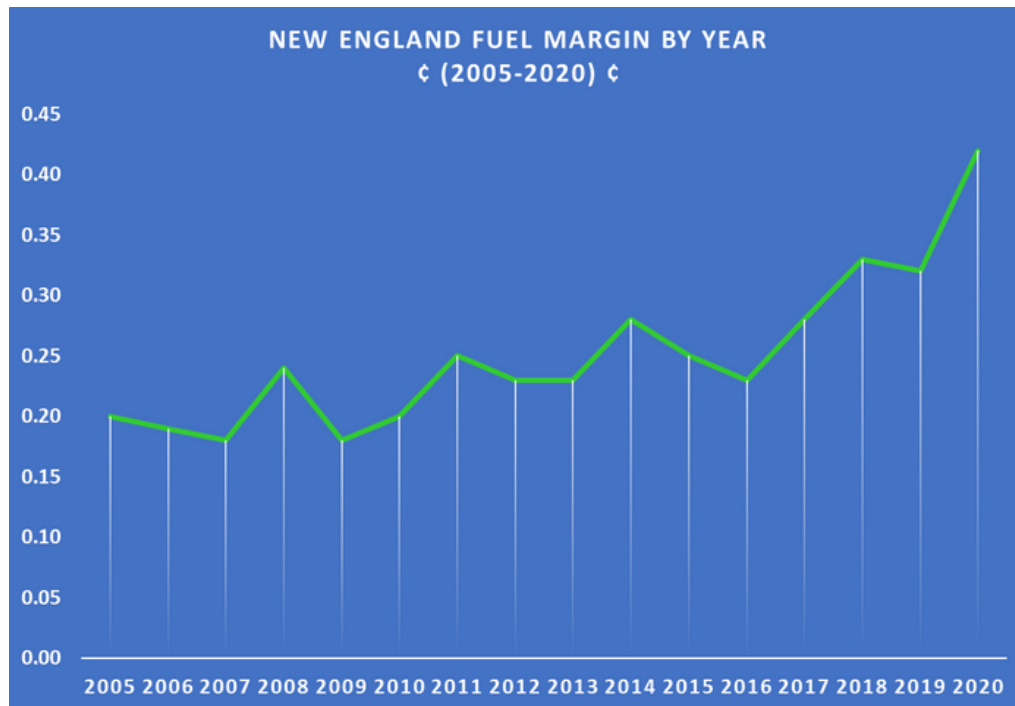
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From 2011-2017 we can see margins steadily in the **.23¢ - .27¢** per gallon range. As profits rose, the number of stores declined, so the value of each store started to rise. Then from 2018-2020, margins started to hit levels that had not really been seen in our industry before. With the pandemic in 2020, many states crossed the **.40¢** per gallon threshold. This did not hold for 2021 but nevertheless margins have remained very **strong**.

This creates an environment where sellers are reluctant to sell. Buyers are willing to pay top dollar for good locations, and because they do pay up, they expect to recoup their investments, often in part by keeping margins up.



Now, as we have seen this year, this only works while volume stays up. When our industry hit the **\$5** per gallon mark for gasoline and more than **\$6** per gallon for diesel,



we saw volume and margin start to **erode**. Of course, since the wholesale prices have come back down, margins have been excellent again, but we only need to feel the shock of expensive fuel for a short time to know that these great margins can be **fragile**.

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Featured Listings

[Eastern Coastal Maine \(Car Wash with Gas & Diesel\)](#)

[Northeastern, Massachusetts \(Convenience Store with Gas & Diesel\)](#)

[Eastern, Massachusetts \(Gas Station with Service Bays, repairs & inspections\)](#)

[Western Central, New Hampshire \(Convenience Store with Gas\)](#)

[Conway, New Hampshire \(Convenience Store with Gas\)](#)

*Listing constantly changing
Be on the lookout & don't miss out!*



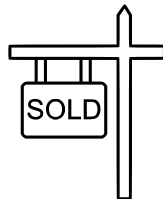
Interested in talking to us more?

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Check out our website

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